

LEND-LEASE SETTLEMENT

*Exchange of memorandums signed at Luxembourg August 29, 1946
Entered into force August 29, 1946*

62 Stat. 4003; Treaties and Other
International Acts Series 2065

*The American Chargé d'Affaires ad interim to the Minister of State and
Minister of Finance*

LEGATION OF THE UNITED STATES OF AMERICA
Luxembourg, August 29, 1946

EXCELLENCY:

I have the honor in accordance with instructions of my Government to refer to conversations between representatives of the Grand Ducal Government of Luxembourg and the Government of the United States with regard to the settlement of the respective shares of the Governments of the United States, the United Kingdom and Canada in the combined claim for the civilian supplies furnished by the Allied armies for the population of the Grand Duchy of Luxembourg and to transmit to Your Excellency in connection therewith a memorandum setting forth the agreement of the Luxembourg Government to settlements with the United States Government.

If the provisions of the memorandum now enclosed are acceptable to the Government of Luxembourg a reply from the Government of Luxembourg expressing its concurrence will be appreciated by my Government.

I avail myself of this occasion to renew to Your Excellency the assurance of my highest consideration.

GEORGE WALLER

Enclosure:
Memorandum.

His Excellency

MONSIEUR PIERRE DUPONG,
*President of the Government,
Minister of Finance, etc., etc., etc.,
Luxembourg.*

MEMORANDUM PRESENTED TO THE GOVERNMENT OF LUXEMBOURG
BY THE AMERICAN LEGATION

In identic notes to your Government dated June 19, 1946, the Governments of the United States, the United Kingdom, and Canada set forth the

respective share of each Government in the combined claim for the civilian supplies furnished by the Allied armies for the population of the Grand Duchy of Luxembourg, and indicated that each Government would communicate further with your Government concerning the method of settlement for its share.

Discussions have since been held between the representatives of the Government of Belgium and of the United States Government with regard to the final settlement of war accounts. In this connection, representatives of the United States Government and the Government of Belgium have discussed with representatives of the Grand Duchy of Luxembourg the method of settlement for the United States share of the combined claim for civilian supplies (Plan A) furnished to the Government of Luxembourg. As a result of these discussions, it has been decided that, subject to the concurrence of the Grand Duchy of Luxembourg, the most satisfactory method of accomplishing settlement for the United States share of Plan A supplies furnished the Government of Luxembourg would be to include this share (and to require no payment therefor from the Belgian Government) in the over-all settlement between the United States Government and the Belgian Government¹ of lend-lease, reciprocal aid, and other war accounts, in which the Belgian Government and the Grand Duchy have been continually associated.

Since the Government of the United States is committed by written agreements to participate on a combined basis with the United Kingdom and Canadian Governments in the collection of the total bill for these supplies and in the determination of the relative shares of each in the proceeds, it is necessary for this Government to stipulate that this method of settlement for the United States share of the combined bills for the civilian supplies furnished the Grand Duchy of Luxembourg is conditional upon the fulfillment of the following conditions:

a) That the Luxembourg Government recognize that the settlement to be made with the United States Government in no way impairs the validity of the obligation of the Luxembourg Government to the United Kingdom and Canadian Governments for their shares of the combined bills.

b) That the Belgian Government establish a reserve of 10 percent of the combined bills being presented to the Luxembourg Government and the Belgian Government. This reserve is to be established forthwith for bills heretofore submitted and at the time of submission for bills hereafter submitted. This reserve is to be deducted from the United States share, and is to be held in the name of the Belgian Government in the Banque Nationale de Belgique in funds convertible into sterling or Canadian dollars, or both, at rates to be agreed upon by the Government of Belgium with the United Kingdom and Canadian Governments. The reserve will be payable to the United Kingdom

¹ For text, see agreement between the United States and Belgium signed at Washington Sept. 24, 1946 (TIAS 2064), *ante*, vol. 5, p. 631, BELGIUM.

and Canadian Governments to the extent and in such proportions of sterling and Canadian dollars as the United States, United Kingdom, and Canadian Governments may determine by combined agreement to be necessary in order to comply with the existing financial arrangements among the three supplying governments. Any amounts of the reserve not so paid will not be claimed by the United States Government, and will revert to the free disposition of the Belgian Government upon combined notification by the United States, United Kingdom, and Canadian Governments.

If the provisions of this memorandum are acceptable to the Government of Luxembourg, it will be appreciated if the Government of the United States might have a reply from the Government of Luxembourg expressing its concurrence.

GEORGE WALLER

LUXEMBOURG

August 29, 1946

*The Minister of State and Minister of Finance to the American Chargé
d'Affaires ad interim*

MEMORANDUM

Reference is made to the memorandum from the Government of the United States to the Grand Duchy of Luxembourg dated August 29, 1946. The Grand Duchy of Luxembourg accepts the Provisions in the reference memorandum.

P. DUPONG

*Minister of State and Minister
of Finance*

LUXEMBOURG

August 29, 1946